



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

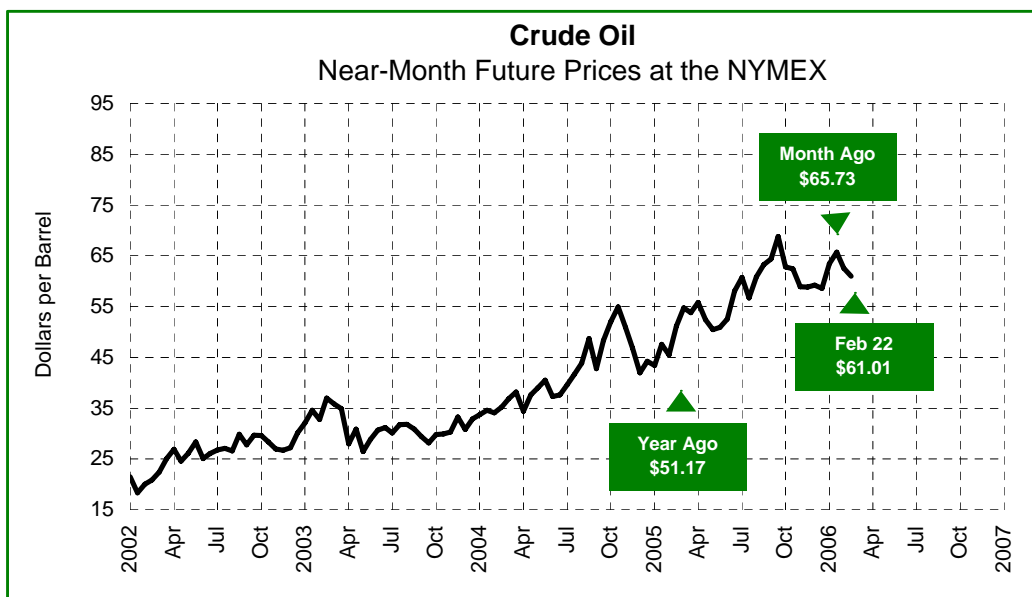
February 23, 2006

Crude Oil

On Feb. 22, NYMEX crude oil futures closed at \$61.01 per barrel, a decrease of \$4.72 from last month, but \$9.84 or 19 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
NYMEX	02-22-06	01-18-06	change	02-23-05	change
	\$61.01	\$65.73	down 7%	\$51.17	up 19%

- Crude oil futures for April delivery on the NYMEX fell nearly \$1.73 on Feb. 22 to settle at \$61.01 per barrel, shedding gains from a major disruption in Nigerian exports as traders anticipated another build in already large U.S. inventories. The loss erased a rally on Tuesday after 445,000 barrels or 20 percent of daily Nigerian oil output was shut-in by weekend militant attacks in the world's eighth largest oil exporter. Concerns over escalating violence in Iraq, Nigerian oil supplies and Iran's nuclear plans have helped oil prices recover about 8 percent since growing inventories pushed oil prices to a 2006 closing low of \$57.65 a week ago.



- Crude prices also are pressuring higher as South America's fifth largest producer Ecuador added to the unease as it stopped pumping 166,000 barrels of oil per day following violent demonstrations that closed the country's Trans-Ecuadorian Pipeline and an attack by three suicide car bombers at Abqaiq, a major oil processing plant in eastern Saudi Arabia.
- For the week ending Feb. 17, U.S. crude supplies increased 1.1 million barrels to 326.7 million barrels, and now stand 29.7 million barrels above last year's level at this time, according to the

Energy Information Administration (EIA). The U.S. Minerals Management Service (MMS) reports that as of Wednesday, Feb. 22, approximately 0.36 million barrels or 24.19 percent of the Gulf's 1.5 million barrels per day of crude production continues to be shut down.

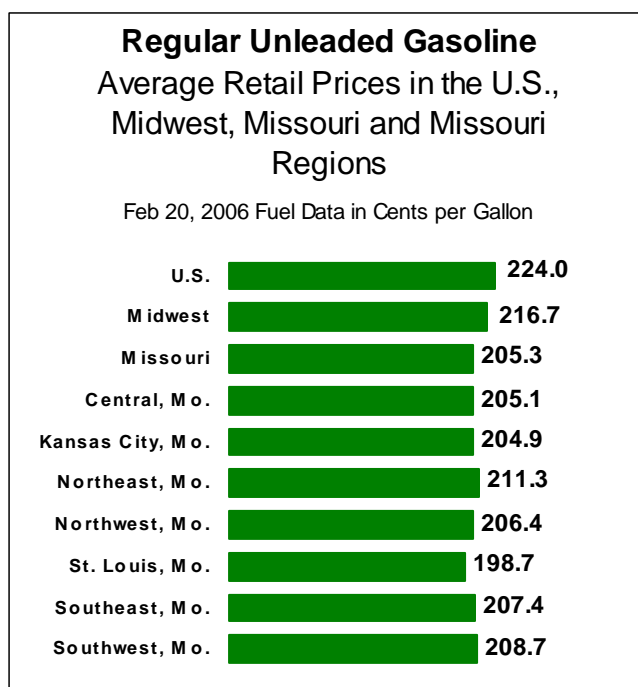
- For the week ending Feb. 17, U.S. crude oil production remained relatively unchanged at nearly 5 million barrels per day. Current production is below the 5.4 million barrels per day reported at this time last year. Crude oil imports fell 0.3 million barrels per day to 9.9 million barrels per day, but are 0.3 million barrels higher compared to this time last year at 9.6 million barrels.
- Refinery runs improved by just 0.5 percent to nearly 85 percent of capacity as U.S. refineries continue to perform necessary winter maintenance. Refinery utilization fell to 14.5 million barrels of crude oil per day compared to nearly 15 million barrels at this time last year.

Transportation Fuels

On Feb. 20, Missouri's average retail price for regular unleaded gasoline was \$2.05 while diesel fuel was \$2.36 per gallon, 16 percent and 24 percent higher, respectively, compared to this time last year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>02-20-06</u>	<u>01-16-06</u>	<u>change</u>	<u>02-21-05</u>	<u>change</u>
US	224.0	232.0	down 3%	190.5	up 18%
Missouri	205.3	216.6	down 5%	176.3	up 16%

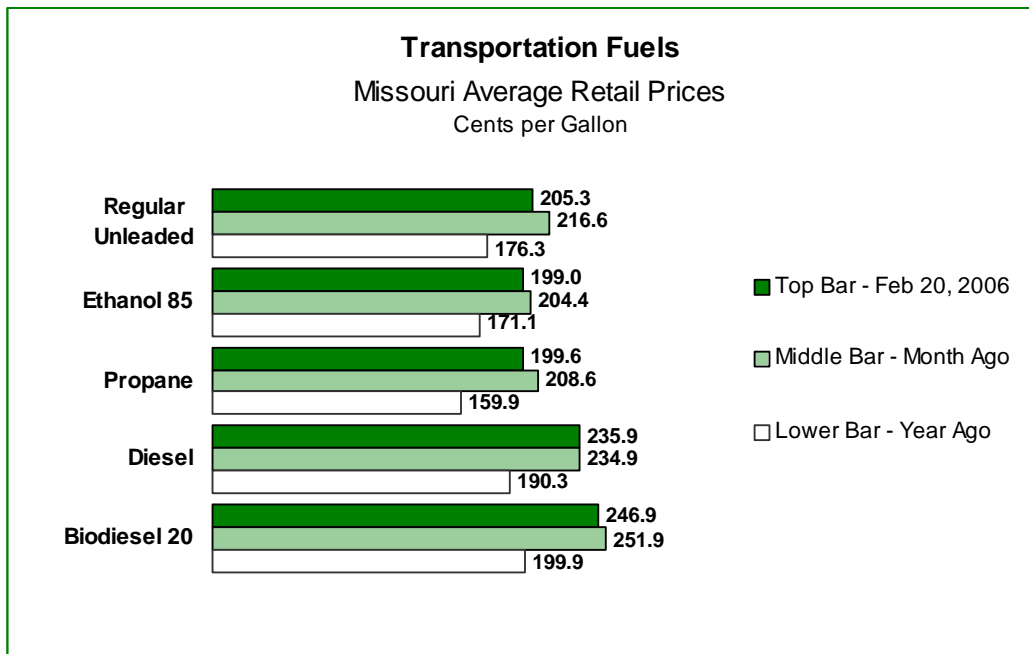
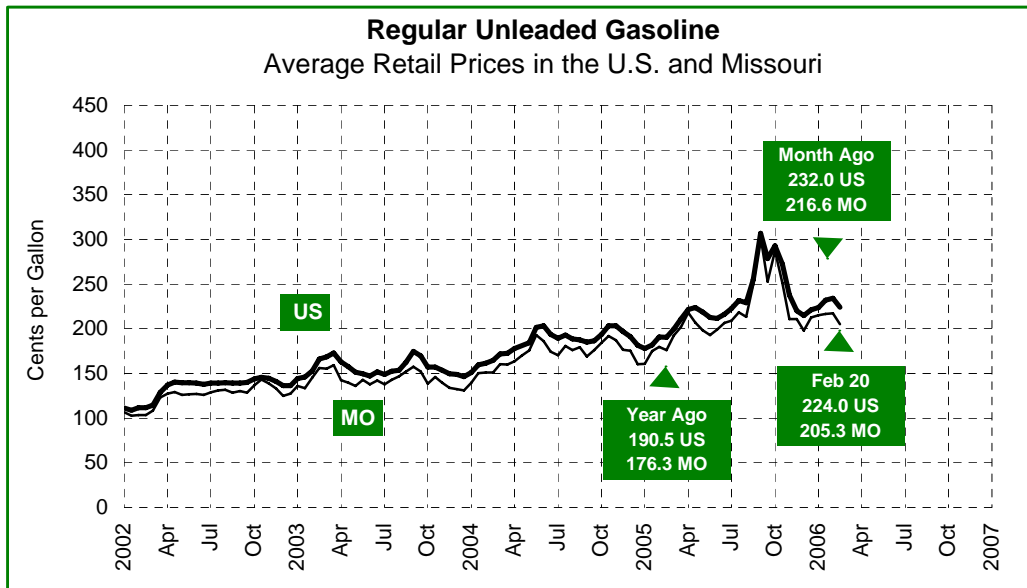
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>02-20-06</u>	<u>01-16-06</u>	<u>change</u>	<u>02-21-05</u>	<u>change</u>
Missouri	235.9	234.9	up 1%	190.3	up 24%



- On Feb. 20, Missouri's statewide average gasoline retail price was down 5 percent while diesel retail prices were up one percent from last month. Although gasoline prices at the NYMEX have fallen

recently in response to higher supplies, retail prices increased since Feb. 20 and are also anticipated to be higher this summer due to supply concerns. New gasoline specifications may limit U.S. production and imports.

- Distillate stocks, which include heating oil and diesel fuel, decreased 1.3 million barrels to 135.6 million barrels. Distillate supplies are now 23.8 million barrels higher than at this time last year.



- For the week ending Feb. 17, U.S. gasoline stocks increased 0.1 million barrels to 225.6 million barrels. Demand is now just over 9 million barrels per day, compared to a four-week average of 8.8 million barrels per day. Gasoline imports were 1.2 million barrels per day compared to 0.8 million at this time last year. Gasoline supplies are up 2.1 million barrels from a year ago.

Coal

The average monthly price of Powder River coal was \$20.50 per ton for Jan. 2006, an increase of 234 percent from Jan. 2005.

Coal - Spot Prices (dollars per ton)					
	<u>Jan '06</u>	<u>Dec '05</u>	<u>change</u>	<u>Jan '05</u>	<u>change</u>
Powder River	\$20.50	\$14.50	up 41%	\$6.13	up 234%

- Powder River Basin (PRB) monthly average coal prices climbed from \$14.50 per ton in December 2005 to \$20.50 per ton in January 2006, representing a 41 percent increase. Coal prices are expected to rise throughout the year due to higher demand for coal. Analysts do not expect prices to increase dramatically following three mining explosions in West Virginia that resulted in a temporary suspension of coal production.

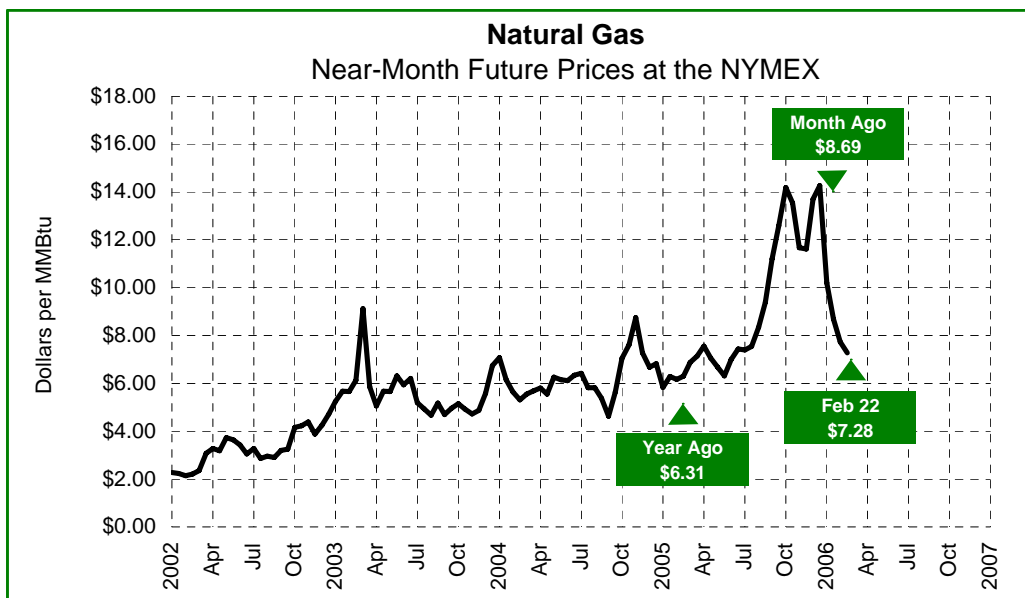
Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Feb. 22, natural gas futures closed at \$7.28 per MMBtu, a decline of 16 percent or \$1.41 since last month due to continued unseasonably mild weather.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	<u>02-22-06</u>	<u>01-18-06</u>	<u>change</u>	<u>02-23-05</u>	<u>change</u>
NYMEX	\$7.28	\$8.69	down 16%	\$6.31	up 15%

- On Feb. 22, the price of the NYMEX futures contract for March delivery settled at \$7.28 per MMBtu. A period of colder-than-normal temperatures during what has been an unseasonably mild winter pushed spot prices slightly higher during the last week. The winter weather coupled with an increase in crude oil spot prices supported increases of up to 5 percent at most market locations during the last week.



- Working gas in storage decreased to 2,143 Bcf as of Friday, February 17, according to EIA's Weekly Natural Gas Storage Report. The current storage level is 694 Bcf, or almost 48 percent, above the 5-year average level for this week of 1,449 Bcf. As of Feb. 22, the MMS estimated that 1.5 billion cubic feet per day or approximately 15 percent of the Gulf's natural gas production remains shut down.

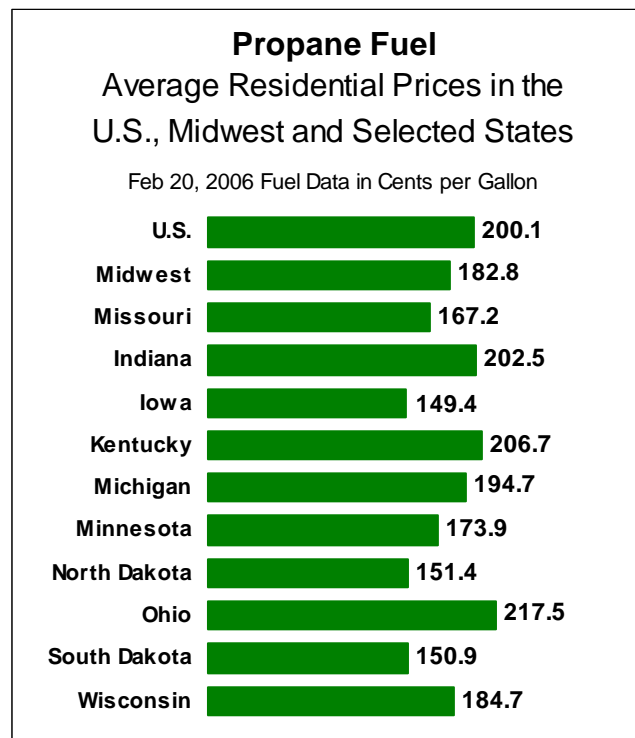
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.67 per gallon on Feb. 20, down 2.7 cents from a month ago, but 15.8 cents or 10 percent higher than a year ago.

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>02-20-06</u>	<u>01-16-06</u>	<u>change</u>	<u>02-21-05</u>	<u>change</u>
Missouri	167.2	169.9	down 2%	151.4	up 10%

- The recent late-winter cold spell in many parts of the nation continued to push propane inventories sharply lower last week, with inventories moving down by 3.1 million barrels to an estimated 40.4 million barrels as of February 17, 2006.
- Midwest inventories increased 0.1 million barrels, moving from 14.4 to 14.5 million barrels for the week ending Feb. 17. Inventories stood at 11.4 million barrels at this time last year.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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